

Fiscal Research Program

**REWARDS FOR HIGH STUDENT
ACHIEVEMENT AND INVENTIONS
FOR PERSISTENTLY LOW
STUDENT ACHIEVEMENT**

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REWARDS FOR HIGH STUDENT ACHIEVEMENT AND INTERVENTIONS FOR PERSISTENTLY LOW STUDENT ACHIEVEMENT

EXECUTIVE SUMMARY

A comprehensive education accountability system has three necessary components:

- 1) **Goals** for student learning.

- 2) A process and infrastructure for **measurement** of individual student, teacher, school, and system progress toward meeting those goals, and an easily accessible system of reporting such results to the public.
- 3) **Rewards** for progress toward meeting the goals and **interventions** to rescue children from low performing schools and systems.

Within an accountability system, the purpose of rewards and interventions is to motivate school personnel and the wider community to provide each child with the highest level of learning possible. Rewards and interventions give educators an incentive to work together to find and implement the best ways to offer an education to each child. Thus, the purpose of a system of rewards and interventions is not to be punitive; the purpose is to increase the quality of education offered to each child.

This paper presents:

- **Issues** that must be addressed in the design and implementation of a system of rewards and interventions.
- **Alternative rewards** for performance beyond expectations and **interventions** for persistently low performance.
- Alternatives for **student accountability**, **parent accountability**, and **community and state accountability**.

Issues in the design and implementation of an accountability system

The issues considered in the paper are listed below. A discussion of each issue can be found in the body of this report.

- Should the test be the curriculum?
- Does a CRT adequately measure student learning of quality content standards?
- Should Georgia base rewards and interventions on student learning or student learning and other things?
- Should rewards be given on the basis of absolute performance or improvement or both?
- Will the benefits of motivation exceed the costs of negative unintended consequences of accountability?
- Will rewards be meaningful?
- How can the negative consequences of rewards be minimized?
- Does the state of Georgia have the constitutional authority to take over schools and dismiss low performing principals and/or teachers?
- By defining a performance standard, will the state of Georgia open itself up to litigation based on failure to provide some children with an “adequate” education?
- How will the state deal with governance issues under increased school based management?
- School choice: should parents be empowered to hold their children’s schools and school personnel accountable?

Alternative Rewards for School and School Personnel

Alternatives for rewarding schools and school personnel for student learning beyond expectations are listed below. A discussion of each alternative reward can be found in the body of this report.

- 1) Recognition of successful teachers and/or recognition of successful schools.**
- 2) Pay for performance to individual teachers.**
- 3) Financial bonuses to schools and/or financial bonuses to all personnel in successful schools.**
- 4) Giving successful schools and systems even greater flexibility over their resources, curriculum, and personnel—beyond any increase in flexibility given to all schools.**

Alternative Interventions For Persistently Low Performance

Alternative interventions for rescuing children from persistently failing schools and school personnel are listed below. A discussion of each alternative intervention can be found in the body of this report.

- 1) Voluntary or mandatory state assistance from an intervention team.**
- 2) Requiring all schools to draft an improvement plan—especially low performing schools.**
- 3) Giving exemplary teachers and administrators financial incentives to serve in low performing schools.**
- 4) Requiring staff development tailored to specific needs for all staff—especially low performing staff.**
- 5) Giving parents/caregivers the option to enroll their children in a charter school(s).**
- 6) Giving parents/caregivers the option to enroll their children in another public school.**
- 7) Offering parents scholarships that can be used to offset tuition payments at private schools for continually low performing schools.**
- 8) Dismissing low performing personnel (using a results based evaluation system to assess performance).**
- 9) Closing low performing schools.**
- 10) State takeovers/annexation.**
- 11) State mandated reconstitution.**
- 12) Opening state schools in neighborhoods of low performing schools.**
- 13) Year round school.**
- 14) After school remedial academic programs.**

Student Accountability

Alternatives for holding students accountable are listed below. A discussion of each alternative can be found in the body of this report.

- 1) Ending social promotion.**
- 2) Making promotion contingent on passing state CRTs, including high school graduation tests.**
- 3) Recognition.**
- 4) Tiers for HOPE Scholarships.**
- 5) Student support teams (SST's).**

Parent Accountability

Alternatives for holding students accountable are listed below. A discussion of each alternative can be found in the body of this report.

- 1) Making student report cards available via parent-teacher conferences only.**
- 2) Making their children's school and/or public privileges depend on good behavior and attendance.**
- 3) Citations and/or fines for neglect and/or bad attendance records of their children.**
- 4) School-parent contracts.**
- 5) Give parents more authority and responsibility over their children's education.**

Community and State Accountability

Alternatives for holding the community and state accountable are listed below. A discussion of each alternative can be found in the body of this report.

- 1) Publicizing the level of student achievement in Georgia.**
- 2) Publicizing the levels of state funding that each district and school receives.**
- 3) Making schools and parents more aware of available social services.**

- 4) **Breaking the monopoly over technical assistance and professional development.**
- 5) **Providing technical assistance to schools to support school improvement planning.**
- 6) **Service learning.**
- 7) **State road and infrastructure money.**
- 8) **Leadership definition and development.**

Conclusion

Progress and innovation only come through controversy and deliberation.

To reform its public education system through accountability, Georgia must debate alternatives for the future. In his book *A Way Out of No Way*, Ambassador Andrew Young writes,

The irony of strong personalities is that God needs them. In a world where God is making all things new, the men and women who dare to serve God and do things in a different way from their fellows are often chosen for special blessings of service and opportunity.

The purpose of the issues and alternatives presented in this report is to aid Governor Barnes, his Education Reform Study Commission, legislators, and interested parents and other citizens as they debate the issues and make the tough decisions necessary to improve public education for the benefit of students and all Georgians.

**REWARDS FOR HIGH STUDENT ACHIEVEMENT AND
INTERVENTION FOR PERSISTENTLY LOW STUDENT ACHIEVEMENT**

I. Introduction

In January 1999, Education Week released a special issue, “Quality Counts ’99: Rewarding Results and Punishing Failure,” an analysis of accountability in public education in all 50 states. Despite new “accountability” programs in a handful of states, the authors of the special issue concluded that school and system personnel at all levels, from school staff to teachers, from principals to superintendents, are not held directly accountable for student learning as a central element in any evaluation of performance or outcomes. Typically, personnel are not rewarded for increasing student achievement, and there are not significant interventions for persistently low levels of student achievement. This is true in Georgia and in the nation as a whole.

“states have completed only the first few miles of a marathon when it comes to holding schools accountable for results. Most have a long way to go in making their accountability systems clear, fair, and complete.”

From the introduction of Education Week’s “Quality Counts ’99: Rewarding Results, Punishing Failure”

Nevertheless, the movement toward holding students accountable—having high standards for students—has been growing and is widespread. Many states have toughened graduation tests, implemented rigorous end of year tests, ended social promotion, and mandated remediation for students who are behind.

Like the track record of benefits from holding students accountable, many believe a comprehensive accountability system can increase student learning for the benefit of students themselves—and for the benefit of all Georgians¹. A more educated generation of students will also be a powerful economic development tool.

¹ The only research on the effectiveness of a comprehensive accountability program comes from the experience in Dallas. In a study of the Dallas accountability system, Helen Ladd (1999) found that after implementation of accountability, test scores increased, dropout rates decreased, and attendance increased in Dallas relative to the rest

A comprehensive accountability system has three necessary components:

- 4) Goals for student learning.
- 5) A process and infrastructure for measurement of individual student, teacher, school, and system progress toward meeting those goals, and an easily accessible system of reporting such results to the public.
- 6) Rewards for progress toward meeting the goals and interventions to rescue children from low performing schools and systems.

These components make a three-legged stool that is an accountability system; if any one leg is missing, the stool falls down. Educators and policy makers need goals to focus attention on student learning. Measurement of progress towards these goals is necessary to provide information about what areas need extra attention and what curriculum and pedagogy work best. This measurement is also necessary to administer rewards and interventions fairly and completely.

Each public school community needs an approach to learning that best serves the unique needs of its particular student population. Centralized systems of education have prescribed, in a top-down fashion, a myriad of programs to be implemented in all schools. A different approach

of the state of Texas. Under the Dallas program, which is no longer in existence, teachers in schools deemed successful received \$1,000, all other staff, including janitors, received \$500, and school activity funds received \$2,000. Principal turnover rates increased dramatically as well. In 1991, before accountability was implemented, 4.7% of principals in Dallas left their positions. In 1992, the first year of accountability, 16.3% left their positions. In 1993 and 1994, 25.6% and 28.5% left their positions, respectively. Ladd reports that “many principals were demoted or fired” (and not merely transferred) and, based on interviews with district staff, “some of this turnover was clearly desirable.”

is to have state and local education authorities articulate the desired standards for student achievement and hold schools accountable, through rewards and interventions, for meeting or failing to meet the standards. School personnel and parents are thereby encouraged and empowered to produce their own road maps for success.

Without a significant degree of control over the means for education improvement, such as budgets, personnel, and curriculum, teachers and principals cannot ultimately be held accountable for achieving the assigned end of improved learning.

Within an accountability system, the purpose of rewards and interventions is to motivate school personnel and the wider community to provide each child with the highest level of learning possible. Rewards and interventions give educators an incentive to work together to find and implement the best ways to offer an education to each child.

Different people are motivated by different things, and some may not be adequately motivated under current conditions. Affected by politics and bureaucracy, our system of public education may require additional incentives to take the tough actions and make the tough decisions necessary to increase student achievement. Rewards recognize educators for their success, and interventions rescue children from low quality schooling. The purpose of a system of rewards and interventions is not to be punitive; the purpose is to increase the quality of education offered to each child.

Parents, educators, government officials, and the business community have sounded the alarm about the need for better education in Georgia.² The statistics are bleak—almost any

² In creating this reform commission, Governor Barnes said that despite improvements over the last three decades, “Public education is our Achilles heel,” and he called for an end to “excuse-based education.”

statistic on Georgia students shows that our students are about average in the United States.³ Being average in the United States is not good enough, because the United States, as a whole, scores near the bottom on international mathematics and science standardized exams.⁴

Research by Julian Betts (1998) has shown that having high standards for students, holding students accountable, leads to dramatically higher student achievement. Students and their teachers rise to the level of student expectations. Likewise, many educators and researchers, such as Robert Behn (1997), believe that an accountability system that rewards success and intervenes in the case of failure will motivate parents, students, teachers, principals, other school staff, and district administrators to increase student achievement.

This paper presents issues in the design of a system of rewards and interventions and alternative models. A brief history of the modern education reform movement is given in Section II. Section III provides an overview of the current state of rewards and interventions in North Carolina, Texas, Kentucky, Maryland, Florida, South Carolina, and Georgia. The end of Section II contains a discussion of design issues for a system of rewards and interventions. Guiding principles that can be used to design a system of rewards and interventions and alternatives are listed in Section IV.

³ One exception is the SAT exam. Georgia students rank 49th among the 50 states and the District of Columbia on the SAT. On national exams that test almost all students, such as the Iowa Test of Basic Skills, the average scores of Georgia students are typically near the national average.

⁴ On the 1995 Third International Mathematics and Science Study (TIMSS) mathematics exam, American fourth graders ranked ahead of twelve nations, behind seven nations, and about equal with six nations. Thus America's fourth graders were above average in mathematics, **but American twelfth graders were ahead of only Cyprus and South Africa.** Between fourth and twelfth grade, American students are losing ground. Of the 26 nations participating in TIMSS, American fourth graders were about the same as five nations in science performance and behind only Korea. American twelfth graders were ahead of only Cyprus and South Africa in science performance. Again, over time American students are losing ground. See the National Center for Education Statistics' 1998 Digest of Education Statistics for details.

II. Background

A. More Money

Between 1970 and 1996, average spending per student in American public schools increased dramatically. In the 1970-71 school year, average per student spending in the United States was about \$3,500 and rose to \$6,500 by 1996-97, in inflation-adjusted dollars. Likewise, average student-teacher ratios have fallen from an average of 24 students per teacher to 17.5 students per teacher over that time period.⁵ Almost all observers believe that these spending increases have not been accompanied by increases in education quality.⁶ Some suggest that schools have gotten worse.

B. A Nation at Risk

A Nation at Risk, a commission report released by the Reagan Administration in 1983 concluded that despite large real increases in per student spending, American schools were failing:

“the educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a Nation and a people. What was unimaginable a generation ago has begun to occur--others are matching and surpassing our educational attainments.

“If an unfriendly foreign power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war. As it stands, we have allowed this to happen to ourselves.”

From A Nation at Risk, 1983

⁵ These statistics come from the National Center for Education Statistics' Digest of Education Statistics (1998).

⁶ The leading detractors of this view, David C. Berliner and Bruce J. Biddle, suggest that students are learning more than ever. They also believe that increases in spending have not compensated for the modern efforts to educate historically “disenfranchised” members of society such as the physically and mentally disabled, racial and ethnic minorities, women, etc. For details on these arguments, see their book, The Manufactured Crisis: Myths, Fraud, and the Attack on America's Public Schools. Critics of Berliner and Biddle point to data on productivity increases in the private sector. Since 1947, output per worker has increased by a factor of six (Bureau of Labor Statistics, 1999). Some ask the question, are America's schools six times better than 1947?

The report recommended the strengthening of requirements for students and the adoption of more rigorous and measurable achievement standards.

Since the release of A Nation at Risk, there have been increases in spending and standards for students. Between 1983 and 1996 spending per student increased by \$2,000 per student in inflation adjusted dollars. In addition, individual states adopted standards for students. These standards have included the end of social promotion, rigorous yearly exams, and stiffer graduation exams. States such as Texas, North Carolina, and Kentucky have implemented statewide exams designed to test how well students have learned the state's curriculum. The culmination of reforms that grew out of A Nation at Risk was the adoption of national goals for education in Charlottesville, Virginia in 1989.

C. Increasing Competition Through Public and Private Scholarship Programs

In 1990, John Chubb and Terry Moe of the Brookings Institution published a book called Politics, Markets, and America's Schools. In their research, Chubb and Moe found that schools that were organized on a decentralized basis—teachers having more power over curriculum and discipline and principals having more power over personnel decisions—experienced higher student achievement. The authors went on to theorize that only increased competition would encourage schools to organize in this more effective manner. In the absence of competition, there would be no consequences for poor performance. Resulting publicly funded and privately funded scholarship programs for low-income families in Milwaukee and Albany, New York,

respectively, have provided examples of competition forcing public schools to take tough actions to improve, for the betterment of all students.⁷

D. Charter Schools

Many states, including Georgia, have developed charter school programs. A charter school is a public school that operates in accordance with the terms of a contract between the school organizers and the agency (i.e., a school board, state department of education or university) that issues the charter. If the goals set forth in the charter are not accomplished, the charter can be revoked and the school can be closed. Also, since charter schools are public schools of choice, if they do not offer a quality education product, they will have no students (customers).

The effectiveness of charter schools as a means to increasing accountability vary according to the degree of autonomy granted to the groups that organize and operate the charter schools. In practice, some states have offered more autonomy to community-based charter schools than others have. Again, unless charter school operators are given enough freedom to design and operate the schools in a manner that serves the unique needs of the student community, it is unfair to hold them accountable for the results promised in their charter contracts.⁸

E. Public School Choice

In a few states, in an effort to make schools more accountable to parents, school districts have permitted parents whose children attend low performing schools to send their children to

⁷ Beginning in 1991, publicly funded scholarships were offered to children in families earning less than 175% of the poverty line in Milwaukee. Since that time Milwaukee Public Schools have undergone many reforms, such as requiring individual schools to fund (as an entitlement) summer remedial reading programs for students who cannot read at the end of the second grade. In Albany, NY a wealthy patron offered scholarships to all children in a single low performing public school. About one-third of the students accepted the scholarships, which only partially covered tuition at private schools. In response to the scholarship offers, the superintendent of Albany's schools reviewed every teacher at that public school and fired several of them. See Nina Shokraii Rees (1999) for details.

any school within the district or to schools in other school districts. In practice, however, it has been difficult for parents to participate in these choices because of capacity constraints and other difficulties.⁹

F. Centralized Accountability

In addition to decentralizing accountability via charter schools and public school choice, the 1990s have seen many states implement centralized accountability models.¹⁰ In these models, many states, including Georgia, make school performance apparent to parents through report cards and/or labels and ratings. Some refer to report cards and ratings as passive accountability systems. Some states have gone further and provided rewards for successful schools and interventions in low performing schools. Rewards have included monetary bonuses for teachers and/or schools and recognition. Interventions have involved enticing successful teachers and administrators to work at failing schools, state takeovers of failing schools and districts, state-mandated school reconstitution, and making public which schools are low performing.

G. School Reform Today

As suggested by the results on TIMSS, American schoolchildren are behind their international counterparts, despite previous reforms. This may be the reason why the accountability movement is picking up steam. As Education Week's "Quality Counts '99" reported, no state has a comprehensive system to hold public schools and school personnel

⁸ As stated previously, the same argument can be made for any school held accountable.

⁹ Typically, receiving schools make it hard for students outside the attendance zone to enroll: Receiving public schools may charge tuition or even deny enrollment. One exception is the East Harlem school district in New York City. Since the mid-1970s, each school in East Harlem has had the characteristics of a charter school, with full public school choice within the district. There is a wide diversity of school offerings and curriculum among their public schools. Interestingly, average standardized test scores in East Harlem have risen from almost the very bottom of New York City's public schools to about the median of the city. East Harlem has an ethnically diverse student population, a transient student population, and large influxes of immigrants. For a balanced discussion of East Harlem's experience with public school choice, see Schneider, et. al. (forthcoming).

¹⁰ In addition to the inherent decentralized accountability exercised by parents, many states hold charter schools accountable in a centralized manner by giving the state board of education and/or local school districts the power to revoke charters.

accountable for student achievement. Is true accountability the education reform movement of the 21st century?

III. Current Conditions

This section presents a brief discussion of the recent history of rewards and interventions as part of the accountability systems in North Carolina, Texas, Kentucky, Maryland, Florida, South Carolina, and Georgia. The unique aspects of each state are reported. The programs in Georgia and these other states suggest issues that surround the design of a system of rewards and interventions within an accountability system. This section concludes with an analysis of these issues.

A. Other States

1. North Carolina

North Carolina's accountability program is based on student performance on end-of-grade reading comprehension and math exams. The school-wide pass rate and cohort gains on the state's criterion referenced test (CRT) determine how a school is rated. The ratings are:

- Schools of Excellence
- Schools of Distinction
- Schools Making Exemplary Growth/Gain
- Schools Making Expected Growth/Gain
- Schools of No Recognition
- Low Performing Schools

In addition, the twenty-five K-8 schools and ten high schools with the highest growth composites (over both tests in all grades) are labeled "Most Improved."

Schools with only high achievement (Schools of “Excellence” or “Distinction”) get recognition, but no monetary rewards. Schools who make larger than expected gains, called exemplary gains, are given cash awards of \$1,500 per certified staff member and \$500 per teaching assistant. Schools that make the expected gains, but not the exemplary gains, are given cash awards of \$750 per certified staff member and \$500 per teaching assistant.¹¹ High achievement merits recognition in North Carolina, and improvement merits a monetary reward. The program of monetary rewards in North Carolina is part of normal business and well funded relative to other states. About \$120 million dollars in awards were given last year. Schools that earn a rating of “Excellence” or “Distinction” can also receive the monetary awards if they make improvements in student achievement that merit “Exemplary” or “Expected” growth. Schools that have extremely low levels of student achievement are not eligible for the ratings of “Exemplary” or “Expected” growth unless their level of achievement rises above a minimum threshold.

Schools in North Carolina who are “low performing schools” may be assigned an assistance team by the state, and 15 schools out of 1,600 have been given such teams in the past few years. Assistance teams are made up of groups of three to five teachers and administrators from outside the school’s district.¹²

¹¹ These cash rewards are given to schools, not personnel.

¹² Some schools welcomed the assistance teams, while others did not. At one time the assistance teams had the power to recommend that individual teachers be fired by the state’s board of education. This power likely contributed to the adversarial relationship at some schools. See Manzo (1998) for more details.

North Carolina experimented with a provision that allowed the state to fire teachers for incompetence—teachers in “low performing schools” who could not pass a standardized test of basic skills were to be fired by the state. Backed by the National Education Association’s North Carolina affiliate, some of the affected teachers threatened to challenge this provision in court, and the state legislature rescinded the provision requiring the testing of teachers in low performing schools.¹³

In place of the teacher testing, the legislature substituted a plan that allowed an assistance team to conduct a performance review of every teacher at a low performing school. The assistance team could recommend that a teacher be fired. The state’s Board of Education could then vote to fire the teachers. However, backed by the National Education Association’s North Carolina affiliate, two teachers who were fired have challenged this provision in court.¹⁴

Since the lawsuit was filed, the legislature has again changed the state’s intervention strategy towards teachers: Teachers in “low performing schools” who receive two substandard ratings from assistance teams in two different years could lose their certification, which would not allow an affected teacher to teach in any public school in the state. If this provision is ever invoked, past history suggests it will be litigated.

2. Texas

Rewards and interventions in Texas have been based on student performance on the Texas Assessment of Academic Skills (TAAS), a state-created criterion referenced test (CRT). Schools are ranked into four categories based on the percent of students at the school who pass the TAAS: exemplary, recognized, acceptable, and low performing. In the original statute, the

¹³ Of the 1,600 public schools in North Carolina, 15 were deemed low performing by the state in 1998. Teachers in those schools were to be required to take a test of basic skills normed to the tenth grade. Teachers who could not pass the exam on two attempts would be fired from the district by the state. See Manzo (1998) for more details.

¹⁴ See Manzo (1998) for more details.

pass rates necessary to obtain an “acceptable” rating were set to increase over time. In 1993, the minimum pass rate necessary to receive an “acceptable rating was 20%. This percentage was set to increase each year and will increase to 50% in 2000. Interestingly, the “minimum pass rate” for each school applies to each of four sub-populations—blacks, whites, Hispanics, and economically disadvantaged students (measured by receipt of free or reduced lunch). If any one of these four groups does not pass the TAAS at a rate higher than 50% (for the 00-01 academic year) or meet other performance goals such as low dropout rates, then the school will receive a rating of “low performing.”

Other than extensive media attention given to a school’s rating, Texas has five other rewards/interventions:

- Small bonuses between \$500 and \$5,000 per school for schools that show large improvements in TAAS pass rates .
- Sanctioning low performing schools that are not improving.
- Reconstitution of failing schools. Under reconstitution, all school personnel must reapply for their jobs. No teachers and other certified staff typically lose their jobs; if the reconstituted school does not rehire a former staff person, he or she is transferred to another school or the district office.
- Intra-district public school choice for students in “low performing” schools.
- Legally, schools must provide remediation for all students who fail the TAAS.

The first four rewards/interventions are not likely to be strong motivators for school personnel because they provide very weak incentives. The bonuses for progress are very small. The sanctioning of low performing schools and reconstitution of failing schools is almost never used. For example, only four schools in the state have been reconstituted since 1996. The intra-district public school choice is not effective for most families because receiving schools do not

have to admit students and lower achieving schools tend to be geographically clustered, which makes transportation to a better school costly.

Given the public ratings, schools already have an incentive to increase their pass rates, which likely involves remediation for students who fail the exam. However, the requirement to provide all students who fail with remediation may compel schools to give remediation to students who scored well below the passing threshold. Without this requirement, schools would have the bad incentive to disproportionately focus its resources and efforts on children who score just below the pass rate, and relatively less time and effort on children well below the passing threshold. Even with the remediation requirement, schools in Texas have the incentive to spend disproportionately fewer resources on children who are above the passing rate. Whether this is a good incentive is a normative question.

Some have suggested that the TAAS is an unfair exam because minority students and students whose first language is not English do not perform as well on average as native white students.¹⁵

Texas is currently developing a new CRT to replace the TAAS.

3. Kentucky

Differing from Texas, Kentucky bases its rewards/interventions on standardized exam performance as well as other indicators—attendance rates; retention rates in grades 4-12; dropout rates in grades 7-12; high school graduation rates; and scores on the state's student assessment program, the Kentucky Instructional Results Information System (KIRIS). Besides traditional multiple-choice items, student assessments have included "performance events" involving both group and individual activities, as well as open-response questions and writing and mathematics portfolios.

Using KIRIS to measure student performance has been so controversial that the 1998 Legislature mandated significant changes to Kentucky's accountability system. As a recent report by the RAND Corporation noted, measured scores on KIRIS have risen dramatically while student performance on outside exams such as the NAEP and the ACT have not budged. The report's authors suggest that "increases in scores, particularly in the early years of the program, cannot be interpreted as revealing greater student mastery of the subjects tested." On the standardized exam portions of KIRIS, student performance on recycled questions, questions used in previous years, rose dramatically, which RAND concluded was evidence of widespread cheating, "coaching focused on reused (test) items."¹⁶

Kentucky's accountability system is currently undergoing change; KIRIS has been replaced by the Commonwealth Accountability Testing System (CATS). Under this new accountability and information system, schools in Kentucky must achieve an index score of 100 out of 140 to achieve the state's goal for all individual schools. The index score is a weighted average of academic and non-academic measures. One of the academic pieces of CATS is student performance on the Kentucky Core Content Tests (KCCT). Scores on these exams are scaled such that 67% of the possible points come from open-ended questions and 33% of the possible points come from multiple choice questions.

To achieve a reward equal to a maximum of \$6,000 per certified FTE at the school, the school must score at or above the school's (state-set) goal for the year or be "progressing" toward the goal.¹⁷ The goal for a particular year will be a function of the school's score in the 1998-99 and 1999-00 school years and a straight line drawn from that baseline to the goal of 100

¹⁵ See Lee (1999) for details.

¹⁶ See Koretz and Barron (1998) for details.

in the year 2014. Schools scoring at, above, or slightly below that line and are “making progress” may receive the reward. The statewide level of bonuses cannot exceed 1.75% of the total salary of all the state’s certified personnel. About 50% of the schools in Kentucky are projected to win awards. Five percent of Kentucky’s schools will be named “Pacesetter Schools” and may receive additional awards.

Schools in Kentucky will be rated as “meeting goal,” “progressing,” or “needs assistance.” Schools that need assistance will conduct a “scholastic audit.” The audit will be a thorough review of all facets of the school except individual personnel. The audit may show a need for school improvement funds from the state.

The audit team and school may consider the use of outside “highly skilled educators” who are superior administrators and teachers on leave from their permanent jobs. Funded by the state, these highly skilled educators work 240 days per year at the “needs assistance” school and receive 135% of their existing salary, up to \$90,000. A highly skilled educator may remain at a school for up to two school years. The highly skilled educators program is funded at \$6 million over the next biennium.

This reward structure is radically different from the state’s previous accountability system. Under the previous system, rewards of up to \$2,000 were given to individual teachers. The teachers’ unions in Kentucky supported the change to rewards given to schools instead of directly to teachers. Their rationale for supporting the change was that teacher bonuses created animosity among teachers. In the last biennium, awards totaled \$27 million.

¹⁷ These cash rewards will not be grants to personnel, but grants to schools.

4. Maryland

Maryland bases its accountability program on its CRT, the Maryland Comprehensive Assessment Test (MCAT). The MCAT tests basic and higher order skills. Schools with sufficiently low pass rates on the MCAT are eligible for a takeover by the state. The vast majority of schools eligible for takeover are in the city of Baltimore, and the vast majority of schools in Baltimore are eligible for takeover. Given these facts, the state recently entered into a partnership with Baltimore. It will be interesting to see in the future the results of this partnership.

Maryland's goals are modeled on the national goals adopted in the early 1990s.

5. Florida

Florida began designing its accountability system in 1991, but some believe that there was no real accountability to speak of until much later. Nevertheless, laws passed in 1991 created local school advisory councils for each school and statewide goals. The school advisory councils have parent representation. They help each school develop an improvement plan on a needs assessment of where the school is in relation to the state's goals. The councils also set priorities for the improvement plans. After implementation of the improvement plan, subject to approval by the local board of education, a council monitors progress toward the state's goals. Thus, plans for improvement are part of the regular business at individual public schools in Florida. These school councils have no power over budgets or personnel.

In addition, the 1991 law created a statewide accountability entity that was outside of the state's department of education, the Florida Commission on Education Reform and Accountability. This entity was an advisory body to the State Board of Education and the

Legislature. It held periodic public hearings to get input on the evolution of the accountability system. The new governor in Florida recently closed this entity.

The 1999 accountability law requires that each school receive a rating based on student performance. The ratings are A, B, C, D, and F. These grades are publicized and all rewards and interventions are based on each school's grade.

The Dade County School Board voted 8-0 to create its own parallel ratings of schools. Dade has a large percentage of schools that received "D" and "F" ratings from the state, and school board members felt that "there are a lot of schools that are doing good things and they need to be recognized for their efforts and hard work." The Dade ratings will be based on "school improvements," but the details have not been defined.¹⁸ Dade County's own school rating system, at this time, has no impact on the state's ratings.

The ratings could be potentially subject to political influence because the ratings may be revised by the state's Department of Education (DOE). Schools may appeal their rankings to the state's DOE. Of the 57 schools that appealed their ratings in 1999, 28 received a higher grade.¹⁹

All students in schools that receive an "F" rating in any two of the last four years will be offered scholarships that can be used to offset tuition payments in private schools. For fall 1999, only children in two of the "F" rated schools, both in Pensacola, were offered scholarships that average about \$3,400 each.²⁰ Other schools that received an "F" rating have one more year to improve. This component of Florida's accountability program faces a court challenge based on the issue of the separation of church and state—can parents use taxpayer monies to offset tuition

¹⁸ See Arthur (1999) for details.

¹⁹ See Webber (1999) for details.

²⁰ Most of the opportunity scholarships were just over \$2,000, but students with special needs are offered larger scholarships.

payments at religious schools is the question.²¹ Children in these “F” schools also may be enrolled in another public school, subject to space availability.

The two elementary schools in Pensacola lost a combined 138 students who received scholarships to private schools or transferred to other public schools within their district. The scholarships are not an entitlement—the 58 scholarships to private schools were assigned by lottery. Four of the five private schools chosen by the 58 children are Catholic schools and the fifth is not a religious school. Private schools can choose whether to admit any scholarship students, and only five private schools agreed to participate. These five schools spaces for only the 58 students. Eighty-nine children at these two public schools applied for these 58 spaces.

Since these two public schools in Pensacola received the “F” rating, they have implemented several changes for the 99-00 academic year. These changes include: a 210 day school year, new reading programs, the incorporation of gym, art, and music teachers into the reading curricula, parent-teacher conferences every six weeks, and after school and Saturday tutoring programs for students who need them. One of the schools will now have reading and reading instruction from 8:30am to 10am each school day under a new phonics-based reading program, and one school has adopted school uniforms. The schools have pledged to focus on reading, writing, and mathematics in order to boost scores on the Florida Comprehensive Achievement Test.

²¹ Taxpayer-funded scholarships, that parents can use to offset tuition payments at religious and other schools, have been upheld as constitutional by the Wisconsin and Ohio State Supreme Courts, respectively. The Wisconsin case was appealed to the U.S. Supreme Court, but the Court refused to hear the case, which let the Wisconsin State Supreme Court ruling stand. The Ohio case was appealed to a Federal District Court, and the judge has indicated that the Cleveland Scholarship Program does violate the first amendment. If the Federal District Court in Ohio rules that the Cleveland scholarships are unconstitutional, then the case will likely be appealed up to the U.S. Supreme Court.

These changes have been funded by state grants totaling \$300,000 to the two schools to increase the school day, other state aid targeted toward improving low performing schools, and federal Title I money.²² The Escambia school district which houses both schools decided to provide enough funding so that no staff reductions accompanied the reduction in the number of students. In fact, the schools have hired additional full-time reading and writing specialists. The new hires, the retention of incumbent staff, and the drop in students has caused a dramatic decrease in student-to-staff ratios. Education Week reports that “students are getting more one-on-one instruction with teachers and volunteers than ever before.”²³ However, the principals at both schools worry that the extra resources devoted to their schools will not be available in future years. One principal said, “We’re going to have to cut somewhere. It’s going to have to happen somewhere because our enrollment is down.”²⁴

Under the 1991 legislation “critically low performing” schools were eligible for state intervention. However, no schools have ever been subject to an intervention because each school rated critically low performing made sufficient progress to avoid it. Before 1999, schools rated “critically low performing had three years to improve. Per the 1999 accountability law, schools with an “D” or an “F” rating have only one additional year to improve or face a state intervention.

Schools with a “D” or an “F” rating will now be subject to mandatory technical assistance from the state, subject to state funding. These schools are also now eligible for \$25,000 improvement grants from the state.

²² See Hall and Allison (1999) and Sandham (1999a) for details.

²³ Ibid.

²⁴ Ibid.

The 185 schools that recently earned an “A” rating will receive incentive grants of \$100 per student. The “F” schools that make significant increases in standardized test scores will be eligible for incentive grants next year, subject to funding by the Legislature. Thus, high and low performing schools are eligible for extra funds.

The 1999 accountability law injected more local control with the budgeting of \$527 million in remedial funds in which the local school districts have wide discretion over how to best use these funds.²⁵ The bulk of these funds, however, are not targeted to school districts with high concentrations of low performing schools.

6. South Carolina

Accountability in South Carolina dates back to 1985. Based on the socioeconomic mix of students and the education levels of teachers, the state placed each school into one of five peer groups, where each peer group had about 200 schools. Based on student performance on standardized exams, the state rewarded the top one-fourth of schools in each peer group. Regarding the South Carolina incentive program, Garrett K. Mandeville writes, “Naturally, some schools near the bottom of a category jockeyed to be reassigned to the next lower category by claiming changes in their student populations.”²⁶

²⁵ In the previous year, the state of Florida provided schools with about \$440 million for summer school programs. Under the 1999 accountability law, the state increased its funding to \$527 million and allowed individual schools to use the funding for any type of remedial program including summer school, after school remedial programs, Saturday school, and remediation during the year. Individual are now allowed to decide how best to use these remedial funds.

²⁶ See Mandeville (1996) for more discussion on South Carolina’s experience with accountability.

Schools in the top one-fourth of their peer group received incentive rewards of \$25 to \$30 per student. Surprisingly, after 10 years, the state had no idea whether its accountability program had raised student achievement.²⁷

Currently, South Carolina is developing a “composite standard” for students in grades 2-8. Students who fail to meet that standard will be held back or provided other options as determined by legislation or regulations not yet written. Under the new accountability model, schools and districts will be issued report cards that will be made public. These report cards will be similar to Georgia’s, except that they will list areas that need improvement, and schools will be rated A through F.

If a school receives a rating of “D,” the local school board must review the strategic plan for the school and the school may request technical assistance from the state. If the school receives an “F,” the state Department of Education will assign a caretaker team to the school. The caretaker team is made up of equally of parents and outside educators. The caretaker team specifies what staff development is necessary, and it must be provided. After receiving a caretaker team’s report, the Department of Education will specify the services it will provide the school.

In addition, principals and teachers whose work has spawned a “proven history of exemplary student academic achievement” can volunteer to serve in “F” schools. For those years they receive their current pay plus incentive pay from the state. For teachers, the incentive pay will equal 50% of the current Southeastern average salary, and for principals it will equal the teachers’ incentive pay multiplied by 1.264. For the upcoming year, the incentive pay for teachers will be \$18,605, and for principals it will be \$23,517. These “exemplary” teachers only

²⁷ In her response to Mandeville’s article, Helen Ladd (1996) wrote, “Unfortunately, we know very little about whether performance incentives programs for schools have an impact on student performance.”

get to remain at the low performing school for an additional year if the school improves, and the maximum stay is three years.

B. Georgia

1. Current Programs in Place

As of 1999, the state of Georgia has several reward and intervention programs in place, but does not have a system of rewards and interventions. Except for report cards, these programs do not cover all schools—are not comprehensive—and are not part of the normal funding and programming processes for the state or local districts. Nevertheless, these programs can be enhanced to be part of a rewards and interventions system.

a. Pay for performance (PFP)

The Georgia pay for performance program (O.C.G.A. 20-2-213.1) enacted as part of the 1985 Quality Basic Education (QBE) Act, provides monetary rewards for schools that meet or exceed mutually agreed upon goals. The PFP program was implemented in 1993. PFP is a voluntary school improvement program designed to promote exemplary school achievement as well as faculty collaboration. Successful schools receive awards of \$2,000 per certified staff member—pending appropriation from the Georgia General Assembly, and awards are made to schools, not individuals.

To apply for PFP, a school devises and submits a detailed description of its own plan of how the schools will promote exemplary performance, what are the criteria for success, and how success will be measured. Performance objectives must be based on academic achievement, client involvement, educational programming, and resource development. The school must have 40 to 70% of its performance objectives based on “academic achievement.”

During the 1997-98 school year, 202 schools submitted PFP applications, 99 applications were approved, and 72 schools met or exceeded its goals and received a total of \$7.616 million.

About one out of every nine schools in Georgia applies for PFP in a given year. Individual schools typically participate in PFP every third year, one year to submit a proposal; if they win, one year to implement the program and collect data; and, apparently, one year to take a break from the process. Submitting PFP plans are very arduous on teachers and administrators.

b. Waivers

In 1990, the Georgia State Board of Education adopted Rule 160-1-3-.02, SUSPENSION OF RULES. Under this rule, a local board of education may petition the state board of education to receive waivers of specifically identified state board of rules and regulations if needed to make improvements in its education program. The goals of the state's waiver program are two-fold, to encourage local innovation and to bring about the elimination of state regulations that hinder student achievement. This latter goal is greatly enhanced by the state's annual report of all waiver requests. This annual report informs local school officials which waivers were approved and which were not.

Recently, the majority of waivers have been for only two things: block scheduling and to modify the school calendar. If schools and school personnel were truly held accountable for increasing student learning above expected improvements, then the state should expect a flurry of waiver requests on a wide variety of issues as schools and systems seek to improve.

c. Charter Schools

Charter schools are public schools that receive freedom from many state and district regulations and laws in exchange for accountability. Accountability is managed jointly by the government and parents. Low performance can lead to the Georgia State Board of Education

and/or the local school board to close a charter school. Accountability is decentralized by allowing parents to pull their child out of a charter school at any time and enroll the child in the neighborhood public school. No child must enroll at a charter school based on attendance zones. Therefore, parents, by exercising school choice, may hold the charter school and their neighborhood public school accountable for performance. The current law governing charter schools, the Charter Schools Act of 1998, became effective July 1, 1998.

There are not many charter schools in Georgia for two reasons:

- The current charter school law that allows entities outside the public schools to apply for charters is new.
- Local school boards can reject charter school applications for any reason without a public hearing or giving its reasons for the rejection.

d. Support Teams

Generally, the state will send a support team to a school only if the local superintendent requests such a team. Only two times in the last five years has the state's board of education mandated that a school accept a support team. In the past school year, 150 schools requested state support teams and the number has been increasing in recent years. Currently there is no line-item funding for support teams in Georgia.

Support teams are made of individuals who volunteer to be on the teams. Only team leaders receive training. Last year, each team leader received 100 hours of training.

e. Report Cards

The state's Department of Education, the Council for School Performance at Georgia State University, and the Georgia Public Policy Foundation (a private entity) publish report cards on each individual school system and school. The report cards display school (system) inputs

and school (system) performance. These report cards provide information to parents, educators, and policymakers about the performance of each school.

2. Issues in the design and implementation of rewards and interventions from Georgia and other states

The past experience with rewards and interventions in Georgia and other states highlights several issues that must be addressed as Georgia designs a system of rewards and interventions. The purpose of these issues is to help citizens and policymakers decide what they want rewards and interventions to look like, and not look like. In addition, the questions raised here can focus attention on challenges that must be overcome in policy design and implementation.²⁸

Should the test be the curriculum? If Georgia uses a standardized test as an important measure of progress toward meeting the state's education goals, then teachers are given an incentive to "teach to the test," regardless of whether the test is a norm referenced or criterion referenced test. Historically, teachers who have been judged based on their student's performance on standardized examinations have spent disproportionate amounts of classroom time on test preparation.²⁹ This is human nature.

Is this a bad thing? Some educators believe that a well-designed criterion referenced test (CRT), that accurately measures mastery of a solid curriculum, can cover virtually all aspects of a good education, including higher order mental skills. For example, Maryland's CRT contains essay questions. Others however, believe that overemphasizing performance on even a well-designed CRT will cause teachers to spend too little time on other important academic endeavors

²⁸ In his remarks to the Accountability Committee in Kingsland, GA on October 6, 1999, Jim Watts of the Southern Regional Education Board noted that one goal of accountability reforms is to make the reforms "stick." Adequately addressing the concerns raised here, can help make any reforms more effective and lasting.

²⁹ For example, the two schools in Florida that were rated "F" schools for two years in a row are now "unabashedly teaching to the state test." Teachers at one of the schools now use mechanical timers in some teaching drills to get students accustomed to working under pressure. Sample test questions are listed on cardboard table tents in some classrooms. The Superintendent of Escambia Public Schools has said, "What we're doing with high stakes testing is

in and outside the classroom. However, one point is not in dispute. The existence of an accountability system based on CRT results means that increasing scores on standardized examinations, which are easily observed by the public and policymakers, will become the primary goal of educators and policymakers at all levels, from the teachers to the principal to the superintendent to the Governor. The standardized test may become so important that resources are diverted from other important aspects of learning.³⁰

Does a CRT adequately measure student learning of quality content standards? Kentucky's CRT was hailed a national model in the early 1990s. Schoolchildren in Kentucky showed dramatic increases on CRT scores after the first year the exam was administered. However, Kentucky's scores on the National Assessment of Educational Progress (NAEP) did not increase. Further large increases in their CRT scores were accompanied by a small increase in Kentucky's NAEP scores, but Kentucky's increase in NAEP scores was equal to the U.S. average increase.³¹ Rewards and interventions must be administered in a fair manner, and they cannot be administered fairly without accurate information on student achievement. The issue is whether increases in CRT scores means that students have actually increased their learning of a quality curriculum.

Should Georgia base rewards and interventions on student learning or student learning and other things? "Accountability" programs in Georgia and other states have been based on the quality of inputs, such as teacher training, per-student spending, planning, etc. The focus on

not looking at the whole person. Everything other than reading, writing, and math has become secondary." See Sandham (1999).

³⁰ Schools increase student learning in three ways—by teaching content knowledge, by developing student skills, and by offering experiences. Traditionally, standardized exams have focused on the first and somewhat on the second. Many educators suggest that well-designed CRTs can adequately test content knowledge and student skills, including higher order mental skills. Nevertheless, some believe that field trips, art, music, and content areas not covered on a CRT will receive less emphasis under an accountability regime based on CRTs only.

³¹ See the RAND Corporation's report, "The Validity of Gains in Scores on the Kentucky Instructional Results Information System (KIRIS)," by Daniel M. Koretz and Sheila I. Barron, 1998 for details.

outputs—student learning—is a 1990s phenomenon. States such as Kentucky, Texas, Florida, and North Carolina have begun ranking schools according to their performance on standardized exams.

Some believe that indicators such as attendance and parental involvement are important means to increasing student learning; therefore, a system of rewards and interventions based on student learning alone will necessarily lead to schools doing more to increase attendance and parental involvement. Others believe that attendance and parental involvement are ends and should be used directly as criteria in an accountability system.

Should rewards be given on the basis of absolute performance or improvement, or both? Using an absolute performance standard of student achievement rewards schools for high performance and for having a disproportionate share of children from families with high socioeconomic status (SES). To avoid this performance measurement problem, many educators suggest a value-added approach—schools are rewarded based on their progress toward the goal. A value-added approach excludes factors that affect student learning that are outside of the efforts of the school, such as the SES of the students. This value-added (or progress) approach may penalize schools whose students are high achieving because it is potentially more difficult to increase student achievement when achievement is already at a very high level.

This value-added approach also implies lower performance standards for low achieving students. “All kids can learn,” is inadvertently discarded if a value-added approach is the only method used to administer rewards. With only a value-added approach, schools with low levels of student achievement may only need to improve student achievement to be rewarded—even if student achievement is well below what is expected of children in other schools. Thus, a school

that starts out with a higher level of achievement will implicitly have higher expectations for its students, because of the value-added approach.

Gwinnett County in Georgia uses absolute standards when deciding whether to promote a student to the next grade, but a “value-added” approach to evaluate the performance of schools and school personnel. Thus schools are evaluated based on improvements.

Will the benefits of motivation exceed the costs of negative unintended consequences of accountability?³² In Texas there have been widespread reports of cheating by teachers, schools, and in the case of Austin, a school district.³³ Also, several states, including Kentucky and Maryland, that showed dramatic improvements on their own state CRTs were found to have greatly increased the percentage of students whose scores were withheld from statewide averages on the NAEP, a national norm referenced exam.³⁴

When a state introduces a new exam, scores will increase in the first few years of the exam as students and teachers become acclimated to the new testing methods, even if student learning is no higher than in the past. Thus, not all gains in the first few years of the exam can be attributed higher student learning. Early gains in scores on a new CRT will mislead parents, students, educators, and policymakers. A 1996 RAND study pointed out that between 1992 and 1994, Kentucky students dramatically increased their scores on the KIRIS, but they had no increase on the NAEP—no increase measured against students from other states. When

³² In Holding Schools Accountable (1996), Helen Ladd wonders “whether the undesirable side effects of accountability and incentive systems can be kept to a tolerable level.”

³³ See Johnston (1999) for a discussion of the charges against individual schools in the Clint, Dallas, Ector County, Fort Bend, Houston, Laredo, Midland, North Forest, Pharr-San Juan-Alamo, San Felipe-Del Rio Consolidated, and Wilmer-Hutchins school districts. For a discussion of the charges against Austin, see Johnston and Galley (1999). For allegations of cheating in Georgia, see “Is Georgia too Dependent on Standardized Iowa Exam?” by Doug Cumming and Rochelle Carter The Atlanta Journal-Constitution March 18, 1999. A handful of teachers in Georgia have been accused of cheating (showing questions to students before the exams, etc.) to increase student averages on the Iowa Test of Basic Skills. In other states such as Texas, North Carolina, South Carolina, and Kentucky, where a schools performance on standardized exams carry much higher stakes, the incentives to work harder to increase student performance and to cheat are much higher than in Georgia.

³⁴ See Hoff (1999).

Kentucky's NAEP scores rose between 1994 and 1998, Kentucky educators hailed the increase. However, as the RAND study noted, this increase was no higher than the increase in the rest of the nation.³⁵

After beginning a system of accountability, politicians and educators have the incentive to show gains in standardized test scores—even if student learning has not actually increased. In Making Schools Work Hanushek, et al write, “The problem with applying performance incentives to the management of education is defining what sort of incentives will work most effectively without also having undesirable side effects.”

Will rewards be meaningful? Rewards in which over 50% of all teachers are rated as “Master Teachers” or in which schools with very low levels of performance can be designated “Schools of Excellence” will not be large motivators to increase student performance. These motivators are too easy to achieve. On the other hand, rewards that are too difficult to achieve will not provide motivation either. When using financial rewards, remuneration must be large enough to be meaningful. Texas gives financial rewards of less than \$2 per student to high performing schools. This small amount alone will not likely provide anyone with an incentive to make the tough decisions necessary to increase student learning.³⁶

How can the negative consequences of rewards be minimized? The rewards conundrum: Money given as a reward to high performing schools is money not spent on helping students in low performing schools. Financial rewards or other resources given to high performing schools may act as an important motivator to improve student performance in all schools, which is the

³⁵ See Koretz and Barron (1998).

³⁶ It may be the case that recognition alone can provide incentives for school personnel to take the actions necessary to increase student learning. Although financial incentives for schools or school personnel may also lead to additional increases in student learning, \$2 per student is likely not much of an incentive. If \$2 per student is not providing any incentive to increase student learning, then the money is wasted and any increases in student learning are due to the recognition alone.

goal. However, any extra resources given to high performing schools as rewards are resources not given to low performing schools.³⁷ Such an argument is valid and has been used to effectively eliminate any positive incentives from financial rewards in Dallas.³⁸

The interventions conundrum: Any additional resources given to a low performer may reward failure. Rewarding failure defeats the purpose of a system of rewards and interventions. In the past, many public schools with low student achievement have been given more resources. Low performing teachers have been offered more training or mentoring. Given tight budgets for education and the public's push for accountability, this era is over. The trick in a rewards and interventions system is to provide extra resources to low performers without rewarding failure. Any additional resources devoted to a low performing school or school employee must come with the expectation of improved student learning. If student learning does not increase, another intervention will have to be administered.

Does the state of Georgia have the constitutional authority to take over schools and fire low performing principals and/or teachers? One potential intervention to rescue students from low performing schools is state takeovers of low performing schools and school districts. A few states have this power, although it is rarely used.

In Georgia, it appears that state takeovers of low performing schools are not expressly granted in the state constitution. The pertinent part of Article VIII, Section V, Paragraph I of the Constitution of the State of Georgia reads:

Authority is granted to county and area boards of education to establish and maintain public schools within their limits.

³⁷ Likewise, funds given to schools that are making improvements are funds not given to schools that are **not** making improvements.

³⁸ See Ladd (1999) for a discussion of the expansion of financial rewards in Dallas until virtually all schools were "rewarded."

And Article VIII Section V. paragraph II reads:

Each school system shall be under the management and control of a board of education, the members of which shall be elected as provided by law.

Some believe that it would be unconstitutional for the state to takeover failing schools from local school boards given that the state constitution expressly creates local school systems governed by local school boards. Others believe that the state, which has a “primary obligation” for schooling (see Article VIII Section I Paragraph I, which is quoted below), grants authority to local school boards to manage schools, but does not lose the right to takeover failing schools.

When North Carolina attempted to fire teachers based on low performance on a teacher exam of basic skills or by a peer review of outside educators, a teachers’ union sued the state. Since those lawsuits were filed, North Carolina, at the state level, is no longer willing and/or able to fire teachers based on student performance on standardized exams or teacher reviews conducted by one state school improvement team.

By defining a performance standard, will the state of Georgia open itself up to litigation based on failure to provide some children with an “adequate” education? In 1971 the California Supreme Court’s *Serrano v. Priest* case and the U.S. Supreme Court’s *San Antonio v. Rodriguez* case in 1973, courts first began discarding school finance regimes that led to large disparities in spending per student across districts. Since that time almost every state has been sued by parents with children who attend public schools in low spending school districts. The suits have been

based on states' failure to provide "equity" or "adequacy" in spending per student.³⁹ The premise of these lawsuits is that the level of funding impacts student achievement.⁴⁰

Article VIII Section I paragraph I of the Constitution of the State of Georgia reads:

Public education: free public education prior to college or post-secondary level: support by taxation. The provision of an adequate public education for the citizens shall be a primary obligation of the state of Georgia. Public education for the citizens prior to the college or post-secondary level shall be free and shall be provided for by taxation.

In the 1981 case of *McDaniel v. Thomas*, the Georgia Supreme Court ruled that an "adequate" public education does not imply equal spending per student across districts. The court noted, "the inherent difficulty in establishing a judicially manageable standard for determining whether or not pupils are being provided 'an adequate education.'" Moreover, the court said, "it is primarily the legislative branch of government which must give content to the term adequate."

By setting up an accountability system, the state of Georgia will define, intentionally or unintentionally, the term "adequate." Such a precise definition may lead to lawsuits by parents of students in low performing schools to sue the state for not providing an adequate education to their children. The state of Florida, for example, has been sued by a coalition that includes the NAACP on the grounds that thousands of schoolchildren are not receiving an adequate education. Their case is bolstered as the state of Florida labels some schools as D or F. This use of adequacy language in state constitutions such as Georgia and Florida's as a basis for lawsuits based on low student achievement as opposed to low spending is a new phenomenon.⁴¹

³⁹ For more discussion on issues of equity and adequacy in Georgia, see "The Equity of Public Education Funding in Georgia, 1988-1996" by Ross H. Rubenstein, Dwight R. Doering, and Larry R. Gess, forthcoming in the Journal of Education Finance.

⁴⁰ Whether "money matters" for student achievement is a much debated question in the research literature on education. See the collection of papers edited by Gary Burtless in Does Money Matter? (1996) for details of this debate.

⁴¹ For details on the Florida lawsuit based on low student achievement, see Sandham (1999).

How will the state deal with governance issues under increased school based management? School based management and accountability are two sides of the same coin—there cannot be one without the other. This is best illustrated by an example. Suppose that school principals and teachers will be held accountable for student learning. If a school is recognized as low performing, the personnel at that school can claim that mandates from the state and/or district are responsible for the low performance. If they can be penalized for low student achievement, school personnel will demand power over curriculum and personnel decisions, for example. They will wish to use school funds in the ways they deem best for the students.⁴² Only with such authority, can school personnel be held accountable. However, unless school councils are created with parent representatives and/or parents are given some form of increased school choice, school based management could lead to unelected principals and teachers making important decisions without assent from parents or voters. (If school personnel need permission from school boards or the state to make a particular decision, then there is no school based management over that decision.) Parents will have no recourse to school changes other than to move to another neighborhood, and moving is expensive. When administrators and teachers are given a high degree of authority, they must be held accountable to parents and other citizens in some manner.

School choice, should parents be empowered to hold their children's schools and school personnel accountable? An intervention in a failing school could be allowing parents to choose a different neighborhood public school for their child, making charter schools more available, or giving parents scholarships to send their child to a private school. This increased choice would

⁴² In Politics, Markets, and America's Schools (1990) Chubb and Moe found that student achievement was higher when principals had more authority over hiring and firing and principals and teachers had more control over curriculum.

allow parents to choose schools they deem better for their children. Under increased school choice, parents would be responsible for securing the best education possible for their children.

The arguments in favor of decentralizing accountability by giving parents more enhanced school choice are that:

- State interventions in failing public schools will be too slow or inadequate to help the children currently enrolled in failing schools.
- Parents can judge the quality of the education their child is receiving better than the state can.
- The threat of losing students, and consequently funding, will force low performing schools to improve—for the betterment of students who remain in public schools. For example, schools that lose students and funding will be forced to make tough decisions such as getting low performing teachers out of the classroom, which benefits students who remain at the school. Schools that lose students will not have the funds or the number of pupils necessary to keep low performing teachers on the payroll.⁴³

The primary argument against more school choice is that children left behind in low performing schools will be harmed by less funding for their schools and/or by fewer high performing students attending their schools. Some opponents believe that parents of higher achieving students will be more willing and able to exercise any increase in school choice.

Other opponents believe that giving parents more school choice will lead to an increase in racial and economic segregation across schools. Public schools in Georgia are substantially segregated by race and class today. For example, using data on 5th graders in Georgia Public Schools, 56 percent of black students would have to change schools in order to achieve perfect integration of black and white students. Opponents argue that increased school choice would

⁴³ Georgia parents can choose their child's school now by moving to a different neighborhood, sending their child to a charter school if one is available, participating in an intra-district choice program if available, participating in the statewide inter-district choice program, or by paying tuition at a private school. In fact, the intra-district and inter-district school choice programs do not effectively increase the school choices available to the vast majority of Georgia families. Thus, the issue over school choice is whether to give families enhanced school choice. See Dwight Doering's "Inter-district School Choice in Georgia: Issues of Equity" Georgia State University's Fiscal Research Program (May 1998) for a discussion of inter-district public school choice in Georgia.

make this problem worse, while supporters of school choice argue that the magnitude of segregation is so large now that it cannot get worse.

Sparsely populated areas will likely not be able to capture any benefits of competition or choice because the “market” of students will not be large enough to sustain a large number of schools—charter, other public, or private schools. In addition, any government restrictions on private schools will limit their supply, which will lead to less benefit from private school choice.

North Carolina, Kentucky, and Texas currently allow parents of students in failing schools to enroll their child tuition-free in any public school in the same district. However, this option does not effectively increase choice for the vast majority of parents in any of these states because receiving schools are not required to enroll the children and low performing schools tend to be geographically clustered making transportation to typically distant, high performing schools expensive.

Florida began in the 99-00 academic year offering scholarships typically just over \$2,000 that can be used to offset tuition payments at private schools and enhanced public school choice to all children in schools that receive a “F” rating from the state. For families who earn less than 175% of the poverty line and live in Cleveland or Milwaukee, the states of Ohio and Wisconsin, respectively, provide scholarships that can be used to offset tuition payments at the private, including religious, school of each family’s choice. In Milwaukee and Cleveland, all children from low-income families are eligible for the scholarships, regardless of whether their school is low performing.

The Georgia Constitution contains a provision that permits state grants to parents for education. Article VIII, Section VII, Paragraph I, Section a, Subsection 1, of the Constitution of the State of Georgia reads:

Educational assistance programs authorized. (a)
Pursuant to laws now or hereafter enacted by the General Assembly, public funds may be expended for any of the following purposes:

- (1) To provide grants, scholarships, loans, or other assistance to students and to parents of students for educational purposes.

IV. Findings

A national review of experience with rewards and interventions in Georgia and other states revealed that the following issues in design and implementation must be addressed as Georgia creates a system of rewards and interventions.

- Should the test be the curriculum?
- Does a CRT adequately measure student learning of quality content standards?
- Should Georgia base rewards and interventions on student learning or student learning and other things?
- Should rewards be given on the basis of absolute performance or improvement or both?
- Will the benefits of motivation exceed the costs of negative unintended consequences of accountability?
- Will rewards be meaningful?
- How can the negative consequences of rewards be minimized?
- Does the state of Georgia have the constitutional authority to take over schools and dismiss low performing principals and/or teachers?
- By defining a performance standard, will the state of Georgia open itself up to litigation based on failure to provide some children with an “adequate” education?
- How will the state deal with governance issues under increased school based management?
- School choice: should parents be empowered to hold their children’s schools and school personnel accountable?

The alternatives in this paper are based on the following characteristics of an effective rewards and interventions system identified from a national review of reward and intervention efforts in Georgia and other states. Within a comprehensive accountability system, rewards and interventions should be:

- Focused on increasing learning for all students.
- Designed to provide schools and school personnel with incentives to increase student learning beyond expectations.
- Designed to develop the ability of school leaders and staff to plan for and achieve continued improvements towards high standards.
- Based on both absolute standards and improvements.
- Supported with adequate and sustained financial resources and personnel.
- Fair, consistent, equitable and understandable to all school and system personnel.
- Implemented in a manner that allows time to improve low performance.
- Based on rewarding sustained exceptional performance or improvement.
- Making parents/caregivers more responsible for and involved in the education of their children.
- Working to harness the resources of the community to improve student learning.

V. Alternatives

This section presents a series of alternative methods for holding students, teachers, schools, systems, the state of Georgia, parents, and the community accountable through a program of rewards and interventions. These alternatives are not necessarily exhaustive or mutually exclusive. In addition, some of these alternatives are hybrids of what has been tried in

other states or in Georgia, and some, because no state does an adequate job of holding schools accountable (see the introduction to Education Week's Quality Counts '99: Rewarding Results and Punishing Failure), have never been tried.

A single alternative or any group of rewards and interventions does not constitute an accountability system. As stated in the introduction, an accountability system is a three-legged stool that contains goals, measurement of progress toward the goals for student learning, and rewards for success and interventions in the case of low or decreased levels of student learning.

This issue paper is based on the following ten characteristics of an effective rewards and interventions system. Within a comprehensive accountability system, rewards and interventions should be

- 1) Focused on increasing learning for all students.
- 2) Designed to provide schools and school personnel with incentives to increase student learning beyond expectations.
- 3) Designed to develop the ability of school leaders and staff to plan for and achieve continued improvements towards high standards.
- 4) Based on both absolute standards and improvement.
- 5) Supported with adequate and sustained financial resources and personnel.
- 6) Fair, consistent, equitable, and understandable to all school and system personnel.
- 7) Implemented in a manner that allows time to improve low performance.
- 8) Based on rewarding sustained exceptional performance or improvement.
- 9) Making parents/caregivers more responsible for and involved in the education of their children.
- 10) Working to harness the resources of the community to improve student learning.

With each alternative reward and intervention come potential benefits and potential risks. These potential risks should be made public in order to help citizens and policymakers make choices and improve the design, implementation, and future improvement of any system of rewards and interventions.

A. Rewards

Possible school and personnel rewards for high and/or improving student achievement include,

- 5) Recognition of successful teachers and/or recognition of successful schools. Georgia does some of this already through report cards. An extension of the report cards would be explicit ratings for schools as done in Texas, Florida, North Carolina, and Kentucky. For a teacher recognition program to act as a motivator to increase student achievement, all teachers must believe they have a chance to win and it cannot be too easy to win. Recognition programs for successful schools and/or teachers would be relatively inexpensive.
- 6) Pay for performance to individual teachers. According to Helen Ladd, the problems with merit pay for individual teachers include,

“the lack of consensus about what makes for effective teaching, the associated difficulty of measuring meritorious performance, and, most importantly, the inappropriateness of using a reward system based on individual behavior given that gains in student achievement reflect not just the actions of an individual teacher, but also the more general environment for learning in the school.”⁴⁴

Merit pay may attract more and better college graduates into teaching if they believe that there will be a stronger link between pay and performance. Some believe that the lack of merit pay presents an equity issue—teachers who do a poor job are paid the same as successful teachers, if they have the same tenure and credentials.

- 7) Financial bonuses to schools and/or financial bonuses to all personnel in successful schools. Such bonuses could be used at the discretion of the principal to improve the school. This type of incentive rewards team behavior and gives teachers and other school staff the incentive to work together on behalf of the students. Although the incentive to work together would be stronger, school bonuses that go directly to personnel may cause resentment if some believe that certain staff did not contribute to the overall success of

⁴⁴ The context of this quote was Professor Ladd’s understanding of teachers’ arguments against merit pay. See Ladd (1996) for details.

the school, yet received the bonus. As stated in the previous section, more money going to good schools is money not spent on behalf of students in low performing schools. Georgia currently gives bonuses to schools under the pay for performance program.

- 8) Giving successful schools and systems even greater flexibility over their resources, curriculum, and personnel—beyond any increase in flexibility given to all schools. Instead of petitioning the state for waivers, individual schools who have a track record of high performance could be given increased flexibility. Schools that failed to continue high performance could lose their increased flexibility.

This reward would be very inexpensive and may save the state money through reduced monitoring costs. However, individual schools may require one-time technical assistance from the state on how to manage resources.

B. Interventions

Any of the following interventions may be prescribed by the state or an intervention team as a strategy for improving student achievement in low performing schools. Possible school and personnel interventions to rescue children from low performing schools include,

- 14) Voluntary or mandatory state assistance from an intervention team. If assistance is voluntary, some low performing schools or districts that need it may not ask for it. If it is only mandatory, some systems that want assistance will not receive it. Any school that wants to improve should have the ability to receive assistance. Mandatory state assistance must be cultivated as a helping hand, not a meddlesome burden. Intervention teams should be provided with data on successful schools that have similar demographics to the school requiring the intervention. This information will allow the low performing school to see what is working for similar children.
- 15) Requiring all schools to draft an improvement plan—especially low performing schools. For low performing schools these improvement plans would be subject to approval by the state and/or local school board.
- 16) Giving exemplary teachers and administrators financial incentives to serve in low performing schools. To get strong, veteran teachers and administrators to serve in low performing schools would require financial inducements, and these inducements could be expensive. Higher performing schools that lose quality personnel for a period of time also face a cost.
- 17) Requiring staff development tailored to specific needs for all staff—especially low performing staff. Staff development could be in the form of additional formal training in pedagogy or content. Formal training could be provided by a school of education, local districts, the private sector, or by RESAs. Staff development can also be in the form of mentoring from successful peers from the teacher's school. If a low performing teacher completes staff development and does not improve, then the principal will be more able to dismiss such a persistently low performing teacher.

- 18) Giving parents/caregivers the option to enroll their children in a charter school(s). Although Georgia has a newly strengthened charter school law, Georgia has relatively few charter schools. The state could make it easier for groups of parents and other private entities to start charter schools.
- 19) Giving parents/caregivers the option to enroll their children in another public school. Typically this option does not provide much of a choice for families because receiving schools have no requirement and little incentive to expand to accommodate additional children, and low performing schools tend to be geographically clustered.
- 20) Offering parents scholarships that can be used to offset tuition payments at private schools for continually low performing schools. Parents of children in low performing schools could be given scholarships that can be used at private schools that they deem better for their children. Supporters of this proposal see it as a safety net for children in low performing schools, while opponents see private school scholarships as not providing any benefits for the children who receive the scholarships and/or causing potential harm for the children who turn them down.
- 21) Dismissing low performing personnel (using a results based evaluation system to assess performance). At the state level, this will be difficult legally and politically if the experience in North Carolina is any guide.
- 22) Closing low performing schools. Are there public school spaces nearby? Are the nearby public schools substantially better for the students than the low performing school that was closed?
- 23) State takeovers/annexation. Although this option may be necessary in some cases, as discussed in the previous section, this may require a constitutional amendment to be feasible in Georgia.
- 24) State mandated reconstitution. Although reconstitution may dramatically improve a low performing school or system, in other states, reconstitution typically means that the personnel from reconstituted schools are merely transferred.
- 25) Opening state schools in neighborhoods of low performing schools. As referenced previously, the pertinent part of Article VIII, Section I, Paragraph I of the Constitution of the State of Georgia reads

The provision of an adequate public education for the citizens shall be a primary obligation of the state of Georgia.

In addition, the pertinent part of Article VIII, Section V, Paragraph VII, Section A reads:

Special schools. The General Assembly may provide by law for the creation of special school in such areas as may require them

and may provide for the participation of local boards of education in the establishment of such schools under such terms and conditions as it may provide. ... Any special schools shall be operated in conformity with regulations of the State Board of Education pursuant to provisions of law. The state is authorized to expend funds for the support and maintenance of special schools in such amount and manner as may be provided by law.

It appears that the General Assembly has the authority to provide schools in the neighborhoods of low performing schools if it chooses. These schools could be charter schools, where the charters are approved by the state only; schools managed by private entities under contract to the state; or schools managed by the state Department of Education directly.

- 26) Year round school. The schools held accountable in a decentralized manner in Florida implemented this on their own. Year round school could be mandated by the state, as well. Further, there may be cases in which year round school may be used as an intervention for low performance.
- 27) After school remedial academic programs. The state could mandate after school programs for all schools, especially low performing schools. Further, extended hours could be prescribed by an intervention team as an intervention for low performing schools.

C. Student Accountability

The goals for and measurement of student learning should be analogous to the goals for and measurement of schools and school personnel.

Students can be held accountable by:

- 5) Ending social promotion. This measure is currently a national trend.
- 6) Making promotion contingent on passing state CRTs, including high school graduation tests. This measure is currently a national trend as well. As discussed in the introduction, research has shown that having standards for students increases student achievement. Offering remediation during the school year and summer school to all students who need this extra attention can offset any ill effects of these measures.
- 7) Recognition. The state can establish benchmarks for students and recognize those students who reach a high level of achievement and those students who make large improvements. In addition, children who excel in a particular subject area should be allowed to place out of courses that will not challenge them. Allowing these student who excel to place out of such classes will allow them to enroll in more challenging courses.

- 8) Tiers for HOPE Scholarships. HOPE scholarships provide a large incentive for preK-12 students to do well in school. Under current law, HOPE scholarship awards are the same for all qualified students who attend a particular institution of higher learning. The state could increase HOPE awards to students who achieve at even higher levels, for example.⁴⁵
- 9) Student support teams (SST's). Student support teams could design individual student improvement plans. For example, all staff who know a particular student could be pulled together in a team to design a customized plan suited to the unique learning needs of the student. Currently, Georgia has the option of using SST's.

D. Parent Accountability

Parents can be held accountable by:

- 6) Making student report cards available via parent-teacher conferences only. This provision would compel parents/caregivers to have at least some interaction with their child's teacher. For parents who cannot meet with teachers during school hours, teachers would have to be made available outside of school hours. In some cases, teachers may have to visit parents at their homes.
- 7) Making their children's school and/or public privileges depend on good behavior and attendance. Children who are unruly or chronically absent could lose parking privileges or any other school privilege. Children could also lose or be denied a drivers' license. Good behavior and/or attendance would allow the child to reclaim the lost privilege.
- 8) Citations and/or fines for neglect and/or bad attendance records of their children. Citations, issued by school personnel, could be shared with the Department of Family and Child Services (DFACS), police, and the courts system.
- 9) School-parent contracts. These contracts can stipulate what is expected of the parent in order to maximize the child's learning. Having parents read and sign the contracts may provide increased motivation for parents. Contracts can stipulate that parents who physically threaten and/or abuse school personnel will face limited access to school facilities. Schools of parental choice, such as charter schools and private schools, have much more latitude over what can be expected of parents than neighborhood public schools.
- 10) Give parents more authority and responsibility over their children's education. This authority and responsibility could come from enhanced school choice through charter schools, public school choice, and/or taxpayer-funded scholarships to offset tuition payments to private schools. The creation of individual school councils with majority

⁴⁵ One way to increase incentives through HOPE scholarships would be to provide a monthly living stipend for each student who achieves A or A- average in the core high school courses.

parent representation would also give parents more authority and responsibility.⁴⁶ However, these alternatives must be effective to empower and hold parents accountable: school choice must be easy to exercise and individual school councils must have real power. Further, schools should become more parent-friendly.

E. Community and State Accountability

The community and the state can be held accountable by:

- 5) Publicizing the level of student achievement in Georgia. All schools, state and local social service agency locations, and participating private businesses could be given posters to display that show how Georgia's schools rank nationally and how U.S. schools rank worldwide. This accountability is similar to private companies posting their stock prices. This publicity would reinforce the notion that the entire community benefits when each child secures a better education.
- 6) Publicizing the levels of state funding that each district and school receives. The state of Georgia could define what fully funding the QBE means, and the percentage of that level that each school receives could be publicized. This valuable information would allow citizens and policymakers to debate the merits of the definition of "fully-funded" and to see clearly the levels of funds made available to each district and school.⁴⁷
- 7) Making schools and parents more aware of available social services. For example, recent news reports have suggested that many households eligible for food stamps do not receive them. Low-income parents can provide higher levels of nutrition for their children if they receive food stamps. Children who are better nourished will learn more in school.
- 8) Breaking the monopoly over technical assistance and professional development. Allow individual schools and districts to shop for the best technical assistance and professional development available. Competition among providers would compel the state Department of Education (DOE) and other entities in the community to provide the best services to local schools or districts or risk losing customers—and funding. For example, individual schools could be given improvement funds that can be used at their own discretion. Suppose a school decides that it needs more staff development. The school could use those funds in a myriad of ways, including purchasing courses at a university or college school of education, buying formal training from private entities, RESAs, or the state DOE; and paying its own strong teachers to mentor lower performing and/or new teachers. Truly holding schools and school personnel accountable for student learning

⁴⁶ On the efficacy of more parental control over local schools via more local school boards, Lydia Segal has written, "Devolution may indeed simply replace one unresponsive elite—bureaucrats—with another unresponsive elite—political hacks." Her paper, "The Pitfalls of Political Decentralization and Proposals for Reform: The Case of New York City Public Schools" in *Public Administration Review* (1997), documents the corruption and patronage that occurred in New York City's Public Schools after schools and local school districts were given more local control.

⁴⁷ The percentages of QBE funds made available could be recorded for all individual schools, including alternative schools. Making this information available will allow citizens and policymakers to make their own judgements about whether the state is providing adequate resources for each student, including students with special needs.

will insure that these funds are spent wisely. Allowing individual schools and districts to choose among providers of improvement teams, other technical assistance, and professional development would be a powerful mechanism to hold those providers accountable for increasing student achievement. Providers whose services did not increase student learning would lose customers as schools and districts shop elsewhere for these services.⁴⁸

- 5) Providing technical assistance to schools to support school improvement planning. If the state is imposing accountability for local schools, then it can make the transition smooth by providing technical assistance to schools to support local school planning, management and other accountability efforts.
- 6) Service learning. If schools allow students to do community service projects, then the community must coordinate with schools to provide meaningful opportunities for students to improve their communities. To hold the community accountable for providing these meaningful opportunities, schools should use the mass media to publicize the service performed by their students.
- 7) State road and infrastructure money. Localities that tolerate persistently low school performance could be subject to the loss of non-education state money such as state funding of roads and other infrastructure.
- 8) Leadership definition and development. In order to make sure that schools have the leaders they need to show improvement, the state could assume more responsibility for leadership development.

VII. Conclusion

Progress and innovation only come through controversy and deliberation. To reform its public education system through accountability, Georgia must debate alternatives for the future.

In his book A Way Out of No Way Ambassador Andrew Young writes,

The irony of strong personalities is that God needs them. In a world where God is making all things new, the men and women who dare to serve God and do things in a different way from their fellows are often chosen for special blessings of service and opportunity.

⁴⁸ Allowing school personnel who are themselves held accountable to “shop” for technical assistance and professional development will align the incentives of school personnel and providers of these services. Having the same incentive to increase student learning will make them work together and mitigate any tendency for these two groups to point fingers at each other if a school did not improve.

It is our hope that the issues and alternatives presented in this paper aid Governor Barnes and his Education Reform Study Commission as they debate the issues and make the tough decisions necessary to improve public education for the benefit of students and all Georgians.

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An overview of the economic and policy fundamentals of privatization. FRP Report 95.2 (March 1996).

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